

times in the last week and a half regarding a matter that is of great importance to this entire Nation, and that is the uranium enrichment industry which was privatized, an industry which was privatized 2 years ago.

Just recently, this privatized company made the announcement that one of the two enrichment facilities in this country would be closed, thus displacing nearly 2000 workers from jobs, and, I believe, endangering the economic and the energy security of this Nation.

I come to the House floor today because I want to share with Members of this House and with the country a letter which was sent to the CEO of this privatized company by the chairman of my committee, the Committee on Commerce. This letter was sent by the gentleman from Virginia (Mr. BLILEY). I would just like to read one paragraph from the letter, because I think it is relevant to what has happened with this industry.

Mr. BLILEY writes to Mr. Timbers: "According to a Wall Street Journal editorial dated Thursday, June 28, you indicated that USEC's," the private company, that its "recent decision to close the Department of Energy's Portsmouth Gaseous Diffusion plant was made in response to congressional intent in privatization language. Specifically, you state that USEC's decision to close the Portsmouth plant was the reason Congress privatized the company."

Then Mr. BLILEY says to Mr. Timbers: "I can assure you that this is not the case. A single operating gaseous diffusion plant with no credible plan for a succeeding enrichment technology is not what Congress intended for the privatized company."

Mr. Speaker, the reason this is so relevant is the fact that approximately 23 percent of all of the electric generated in our country is generated through nuclear power. Mr. Timbers, through his actions and this private company's decision to close one of our two plants, I believe, puts in grave danger this Nation's economic and energy security.

In the letter to Mr. Timbers, the gentleman from Virginia (Mr. BLILEY) asks several questions, and I would like to share one of those questions and requests for information. He says to Mr. Timbers: "In the event of an interruption of the deliveries of material from Russia over the next 5 years, how does USEC plan to meet its committed demands for SWU?" That is, the nuclear fuel. And then he says: "Please answer this question separately for each of the following scenarios: What happens if there is a 3-month delay in Russian deliveries, a 6-month delay in Russian deliveries, a 1-year delay in Russian deliveries, a 2-year delay in Russian deliveries, and a delay in Russian deliveries sustained beyond a 2-year period? For each of these scenarios, please assume that the delays begin after USEC has deactivated the Portsmouth plant."

Mr. Speaker, the Nuclear Regulatory Commission will be issuing a report soon, and they must verify that USEC can continue to be depended upon to provide a reliable supply of domestic fuel to meet the Nation's energy needs. It is imperative that we define domestic as the material which is produced within the United States of America, and reliable must be defined as providing for 100 percent of our Nation's need for nuclear fuel.

If USEC cannot do this, then they can no longer be licensed to operate these gaseous diffusion plants, and that is all the more reason why this Congress should reconsider the privatization of this industry.

Next week I will introduce legislation that will enable us to do what we need to do, and that is to assume the Government's ownership of this industry once again and, therefore, protect our country from having to depend upon foreign sources for nuclear fuel for some 23 percent of our Nation's electric needs.

□ 1630

Mr. Speaker, I include for the RECORD a letter from the gentleman from Virginia (Mr. BLILEY) to Mr. William Timbers:

The letter referred to is as follows:

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON COMMERCE,  
Washington, DC, July 11, 2000.

MR. WILLIAM H. TIMBERS,  
President and CEO, USEC, Inc.,  
Bethesda, MD.

DEAR MR. TIMBERS: As you know, the Committee is continuing its review of USEC privatization and its impact on national security and the domestic uranium industry. I am writing to you with respect to recent, troubling statements you have made on this subject, and to obtain additional documents and information related to USEC privatization.

According to a Wall Street Journal editorial dated Thursday, June 28, 2000, you indicated that USEC's recent decision to close the Department of Energy's (DOE) Portsmouth Gaseous Diffusion Plant (Portsmouth plant) was made in response to Congressional intent in privatization legislation. Specifically, you state that USEC's decision to close the Portsmouth plant was "the reason Congress privatized the company." I can assure you that this is not the case. A single operating gaseous diffusion plant with no credible plan for a succeeding enrichment technology is not what Congress intended for the privatized company.

In a recent letter to Energy Secretary Bill Richardson dated June 20, 2000, you also stated that USEC has "successfully implemented the HEU agreement," and that "recent Congressional hearings have confirmed [the HEU agreement] has succeeded at the expense of USEC." I should remind you that USEC freely negotiated and bound itself to the terms of the current 5-year implementing contract, and in 1998 made public disclosures in support of an Initial Public Offering (IPO) of stock, which included a complete analysis of what impact the HEU agreement could have on a privatized company. Given the USEC Board of Directors' fiduciary responsibilities to its shareholders, I must believe that USEC's decisions last November to continue as Executive Agent—after threats of resignation—was supported by a thorough assess-

ment and conclusions that the HEU agreement is important for USEC's survival.

I also am perplexed by the extreme about-face you and your company have demonstrated on several issues in the months since privatization. For instance, in less than 12 months after privatization, the AVLIS technology went from USEC's low-cost solution for future uranium enrichment production, to a useless technology that will not see commercialization. Furthermore, I find it hard to believe that "global business realities" that "no one could have foreseen at the time of privatization" are the cause of USEC's precipitous decline over the past 22 months, as you indicated in your letter to Secretary Richardson. I am now more convinced that USEC's flagging business performance and the threat it presents to domestic energy security is directly related to questionable representations made by USEC to its Board in support of your bid for an IPO, as well as questionable business decisions made by the company since privatization.

Accordingly, in order to obtain a better understanding of these issues, I am requesting that, pursuant to Rules X and XI of the U.S. House of Representatives, you provide the Committee with the following documents and information by July 25, 2000:

1. Please identify the total amount of SWU USEC expects to sell over the next five years. Of this amount, please identify the total amount of SWU USEC expects to sell to domestic nuclear power companies.

2. Please identify the total amount of SWU USEC will efficiently produce at the Paducah Gaseous Diffusion Plant (Paducah plant) per year, for over the next five years.

3. Please identify the total amount of SWU USEC currently has in inventory.

4. Please indicate when USEC expects to obtain a license amendment from the Nuclear Regulatory Commission to increase its uranium enrichment capacity at the Paducah plant.

5. Please discuss the earliest date USEC can reasonably construct and begin to operate a new uranium enrichment plant, and at what capacity this new plant would produce SWU.

6. In the event of an interruption in HEU deliveries from Russia over the next five years, how does USEC plan to meet its committed demand for SWU? Please answer this question separately for each of the following scenarios: a three-month delay in Russian deliveries, a six-month delay in Russian deliveries, a one-year delay in Russian deliveries, a two-year delay in Russian deliveries, and a delay in Russian deliveries sustained beyond a two-year period. For each of these scenarios, please assume that the delays begin after USEC has deactivated the Portsmouth plant.

7. If the United States Government decides to terminate USEC as Executive Agent to the HEU agreement, in part or in full, please describe how this would affect USEC and whether the company could meet its committed demand for SWU.

8. Please provide all records relating to communications between USEC or its board (or any of their directors, officers, employees, agents or contractors) and any outside individual or entity, whether governmental or private, regarding the decision whether to proceed with privatization or the choice among competing privatization options. For purposes of this request, you may limit your production to those records created on or after January 1, 1997. Please refer to the attachment for definitions of the terms "records" and "relating."

Thank you for your cooperation with this request. If you have any questions, please contact me directly, or have a member of